THE GREAT DEPRESSION AND THE EMERGENCE OF MODERN POLITICS IN THE UNITED STATES, 1929 - 1941

HOOVER AND THE CRASH

THE GREAT DEPRESSION BEGINS

OLDER INDUSTRIES, STRUGGLING IN THE 1920S

- Agriculture, which suffered from overproduction and paralyzing debt which had accumulated throughout the decade.
- Coal Mining, which was less and less profitable due to competition from oil and other energy forms.
- Railroads, which were being replaced by cars and trucks as the primary form of long distance transportation and trade.
- Clothing Manufacture, or the Garment industry, which was less profitable due to the competition from foreign nations and synthetic cloth.

OCTOBER 29, 1929

- Between October 23rd and October 29th, 1929, the New York Stock Exchange suffered its worst losses in its history. The prices of stocks dropped dramatically, and stockbrokers could not find investors to purchase company shares – causing prices to plunge.
- Investors who had amassed fortunes on paper lost everything they had. Many lost everything; some chose to commit suicide.
- Stockholders who had purchased their goods "on the margin" not only lost everything – but also had to pay back the banks or stockbrokers from whom they had borrowed.
- Many could not repay their debts – causing banks to fail. This was the more pressing crisis for the overall economy.

OVERPRODUCTION

- A situation in which the supply of manufactured goods exceeds the demand for the product.
- When supplies increase, but demand for a product remains the same, prices will decline. The law of supply and the law of demand are iron rules in a free market capitalist economy.
- The result of decreased prices was a decrease in profits for companies; this inevitably led to layoffs and decreased productivity.

HOUSING AND AUTO MANUFACTURING

- The housing construction and automobile manufacturing businesses were in decline.

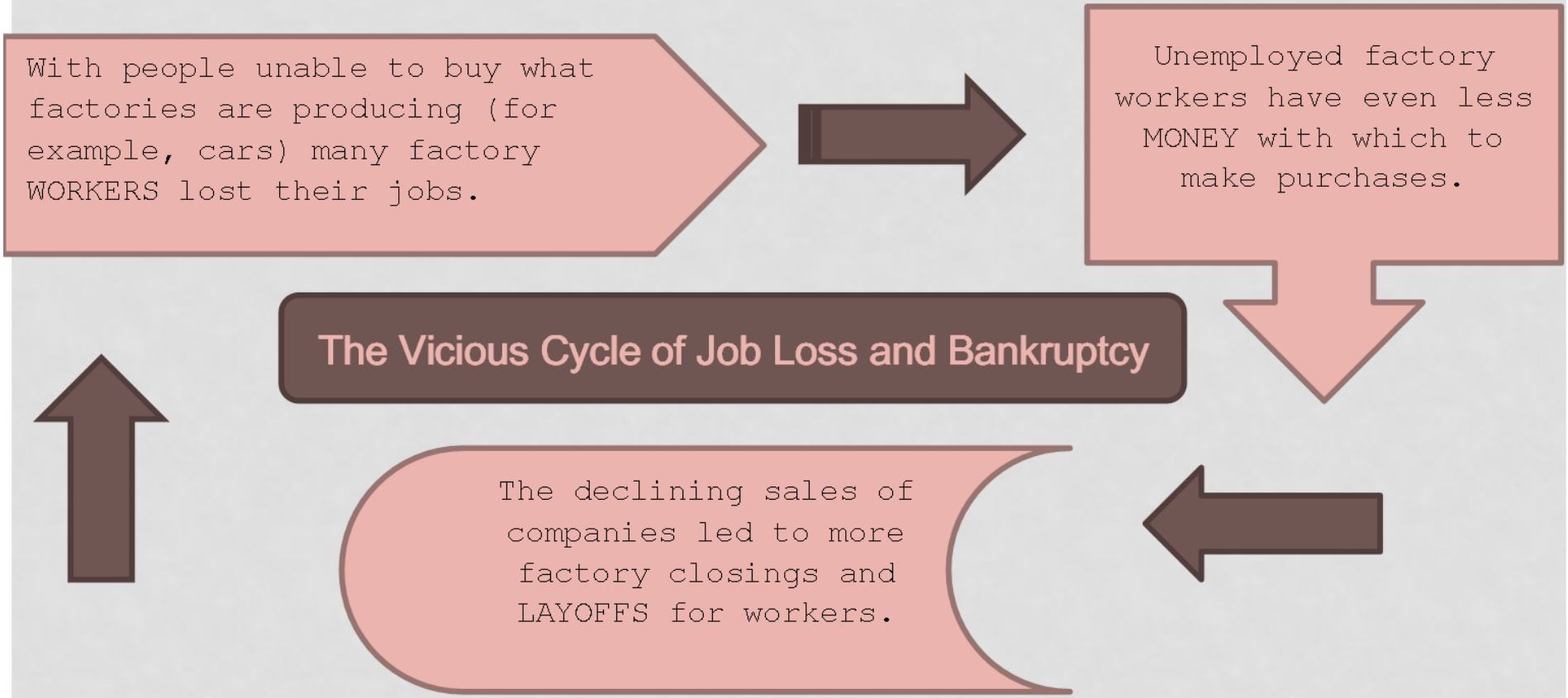
- Housing construction had boomed following World War I – due to an increase in demand for homes. But by the end of the 1920s, there were more homes available than people looking for homes. This led to stagnation in housing prices and a major decline in new home construction. The past six years have seen similar problems.

- Automobile manufacturers had the same problem: too many cars, not enough customers.

THE BANKING CRISIS

More than 5,500 banks closed between 1930 and 1933. Many depositors were left penniless. By the end of the Great Depression, close to 9,000 banks had failed. The most difficult part of this for most Americans was their ignorance of how tied into the stock market their money had been. Most Americans had assumed that putting their money in the bank was the safest and most responsible thing that they could do; now, restoring confidence in banking institutions would be a major priority for the federal government to slow down the contraction of the economy.

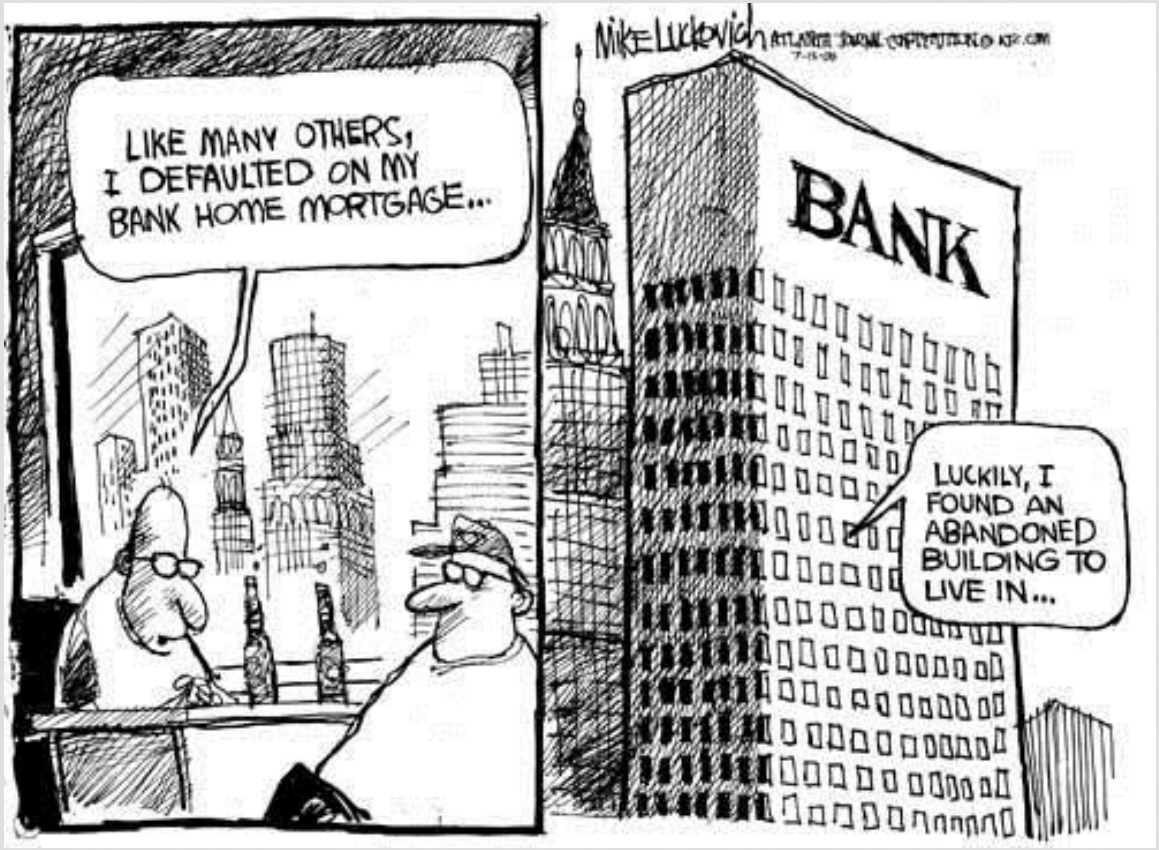
THE VICIOUS CYCLE OF JOB LOSS AND BANKRUPTCY (NO NOTES. LEARN THIS!)



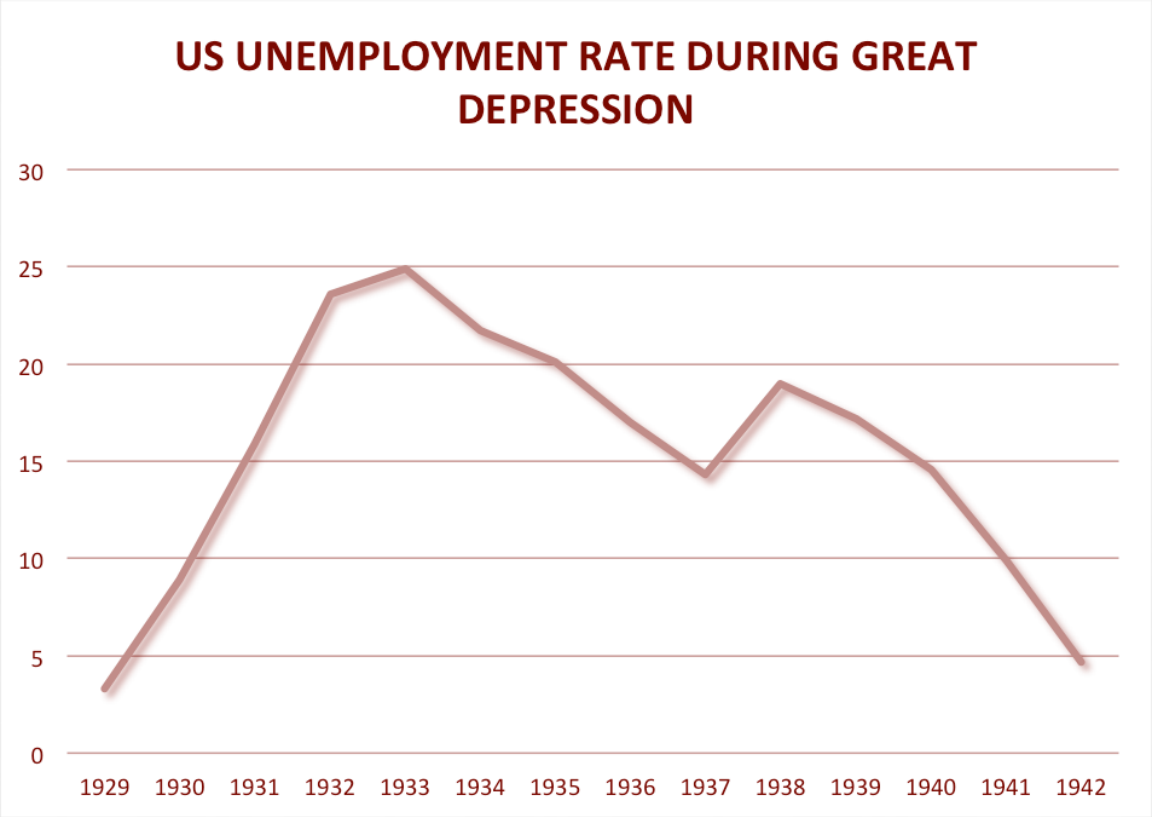
DEFAULT OF DEBTORS

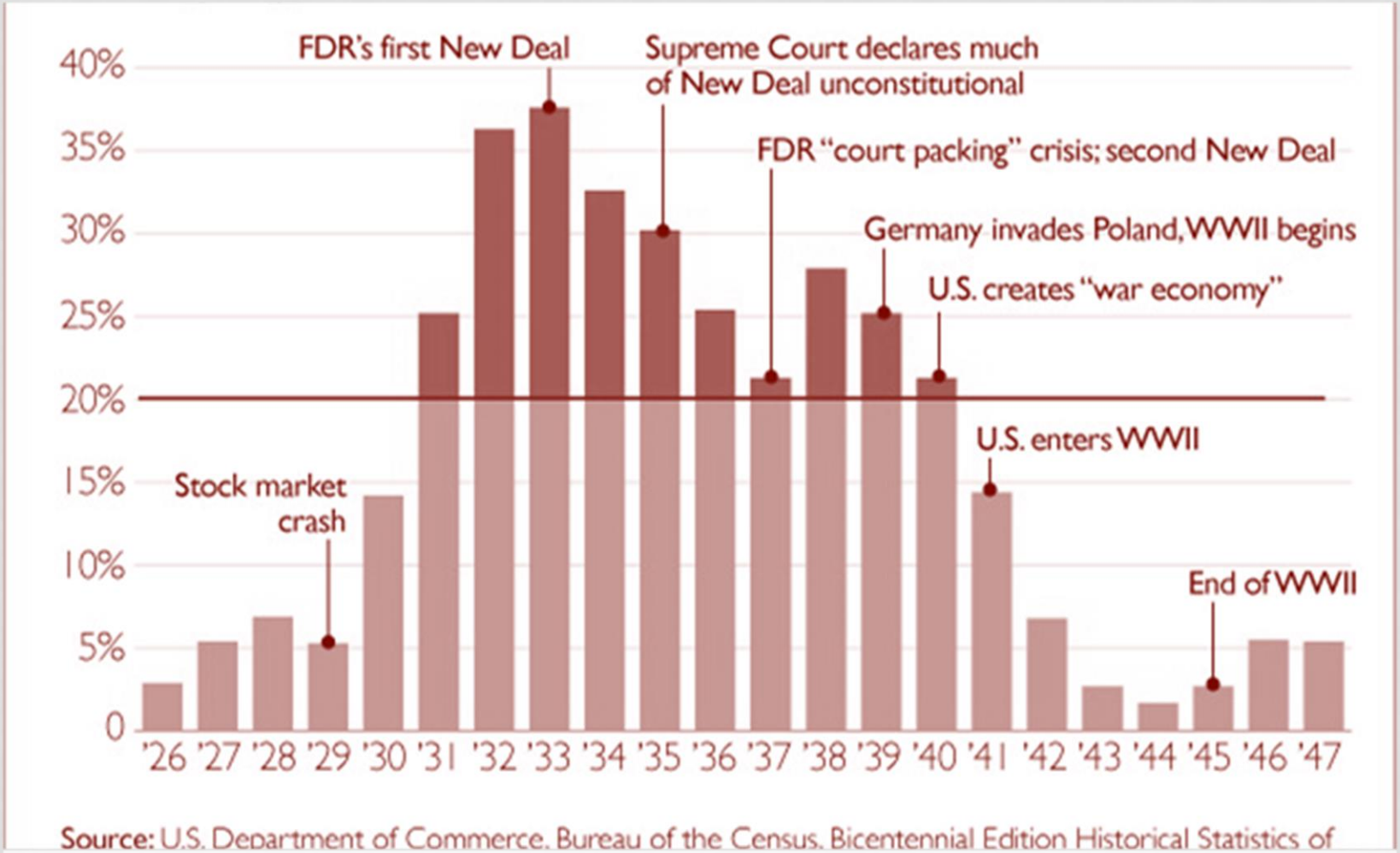
- Failure to repay one's loans can be a major problem on the individual level or on a larger scale. In this case, the United States economy and banks were hurt both because European nations defaulted on their loans from World War I and because individuals could not settle their accounts...
- American bankers had loaned millions of dollars to the Allied Powers to rebuild. When the Depression hit worldwide, nations were unable to keep up payments.
- When banks loan out money and their customers default on the loans, the bank's future is in grave jeopardy! Recent events have confirmed this in the last 6 years.

UNLIKE THE EARLY 1930S, MOST BANKS SURVIVED BY MERGING OR BAILOUTS.



BETWEEN 1927 AND 1933, UNEMPLOYMENT EXPLODED IN THE UNITED STATES. DRAMATIC JUMPS IN THE UNEMPLOYMENT RATE IN 1929, ‘30, ‘31 AND ’32 RESULTED IN 24 % UNEMPLOYMENT BY 1933.

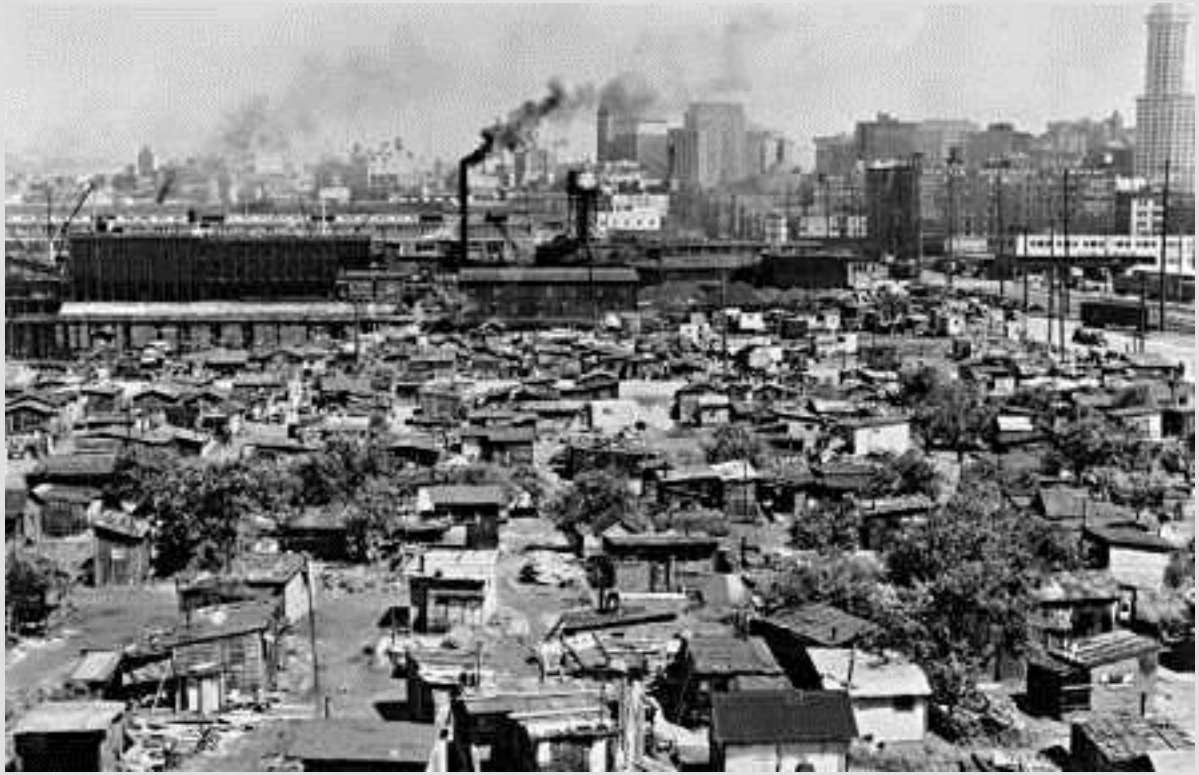




UNEMPLOYMENT -

NON-FARM WORKERS UNEMPLOYMENT, DEPRESSION

HOOVERVILLES



HOOVER BLANKETS

HERBERT HOOVER

HOOVER'S ADVISORS: *LAISSEZ- FAIRE*

"Any suggestions, Akerson?"

Almost all of Hoover's Cabinet members believed that the Depression would go away on it's own – there was no need for the government to meddle in the economy. Hoover, a man who had literally been responsible for feeding refugees in war torn Europe during his early career, was deeply torn. Eventually, he would equivocate and change direction.

THE RECONSTRUCTION FINANCE CORPORATION

- Hoover's major initiative was the RFC, which game money to fund critical businesses, banks, insurance companies, and railroads. So, in the American people's darkest hours of economic need, Hoover gave the taxpayer's money to the most powerful industries. Many Americans considered him heartless and without compassion.

THE BONUS ARMY

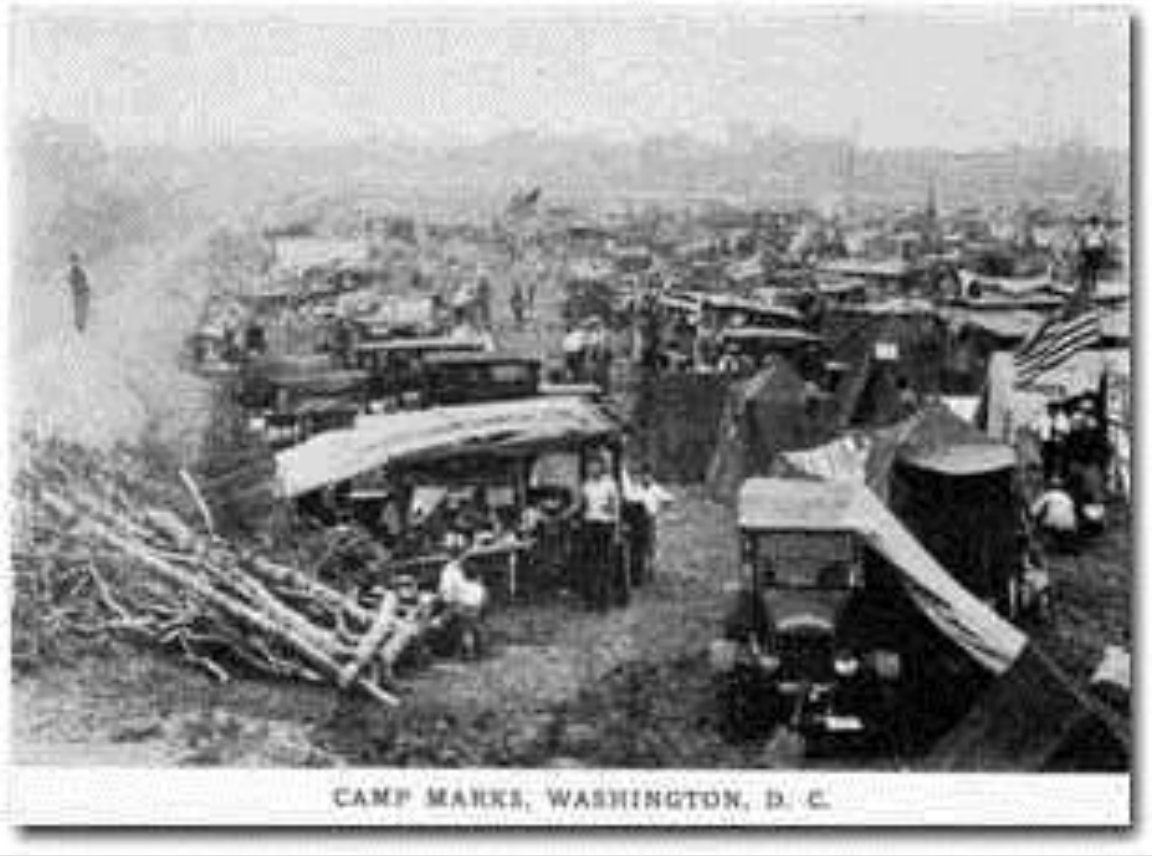
- At the end of World War I, every living American veteran was promised a $1000 bonus, to be paid out in 1945. By the end of Herbert Hoover's term in office, many veterans were convinced that they may not live that long – they were starving and homeless.
- In 1932, around 20,000 men, women and children organized a march to Washington, D.C. Some walked the entire distance from their homes to the nation's capital, to petition the government for their bonuses 13 years early.
- Once they arrived, they established their own Hooverville, right in Washington, D.C. They met with Congressional Leaders, and their petition was refused.
- Most men left, but several thousand lingered, and Hoover became worried that the men could attempt to attack the government – only 5,000 Bolsheviks, after all, had overthrown the Tsar in Russia during the 1917 Revolution there.

THE BONUS ARMY

- In 1932, Hoover decided he could no longer tolerate the threat of these unarmed, impoverished, and desperate men in his city.
- He sent in the US Army, led by George Patton and Douglas MacArthur, who believed the government was threatened, to disperse the men by force.
- During the attack tear gas was used against the crowd, and hundreds were injured. Over fifty men were arrest. One woman miscarried, and baby later died from the side-effects of the gas used to disperse the crowd.
- Americans were horrified and outraged that their own President would take up arms against unarmed, impoverished, United States Veterans.

THE BONUS ARMY

THE BONUS ARMY: HOOVERVILLE



THE GOVERNMENT ATTACK ON THE BONUS ARMY

THE BONUS ARMY LEGACY

- Hoover's chances for re-election plummeted, although FDR claimed openly that he would not have paid the men either.
- Once elected President, FDR would offer positions in the Civilian Conservation Corps to all of the men – and he fed the reconstituted encampment which petitioned him for payment in 1933.
- Eleanor Roosevelt visited the troops.
- In 1936, an adjusted payment was sent to all of the men by an act of Congress; however, it is noteworthy that FDR vetoed the bill; his veto was overridden!

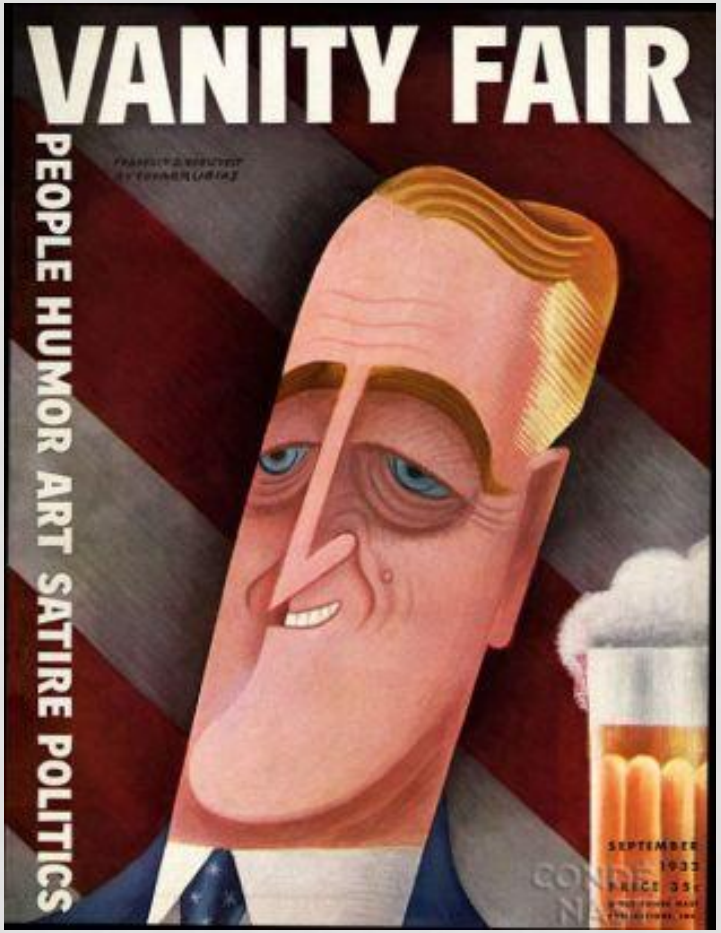
FDR AND THE NEW DEAL

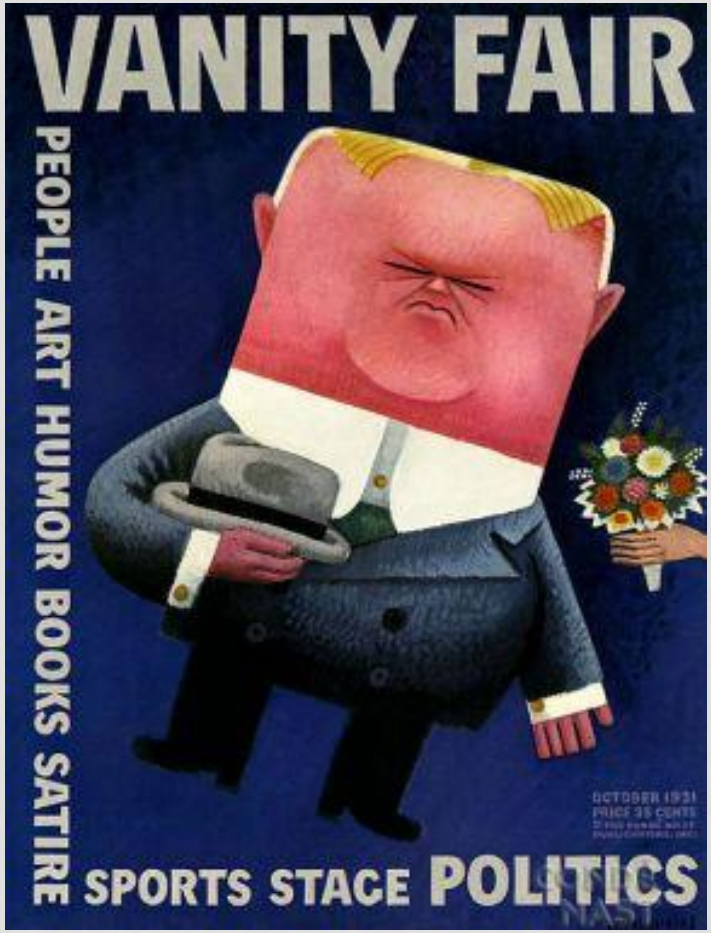
A NEW ROLE FOR GOVERNMENT

FRANKLIN DELANO ROOSEVELT

- Roosevelt was a wealthy New Yorker and a distant relative of Theodore Roosevelt, a man whom he admired.
- He was a Assistant Secretary of the Navy, a job TR had held as well.
- He ran for Vice President in the Election of 1920, but, along with Archibald Cox, lost to Warren G. Harding.
- In 1928, he was elected Governor of New York.

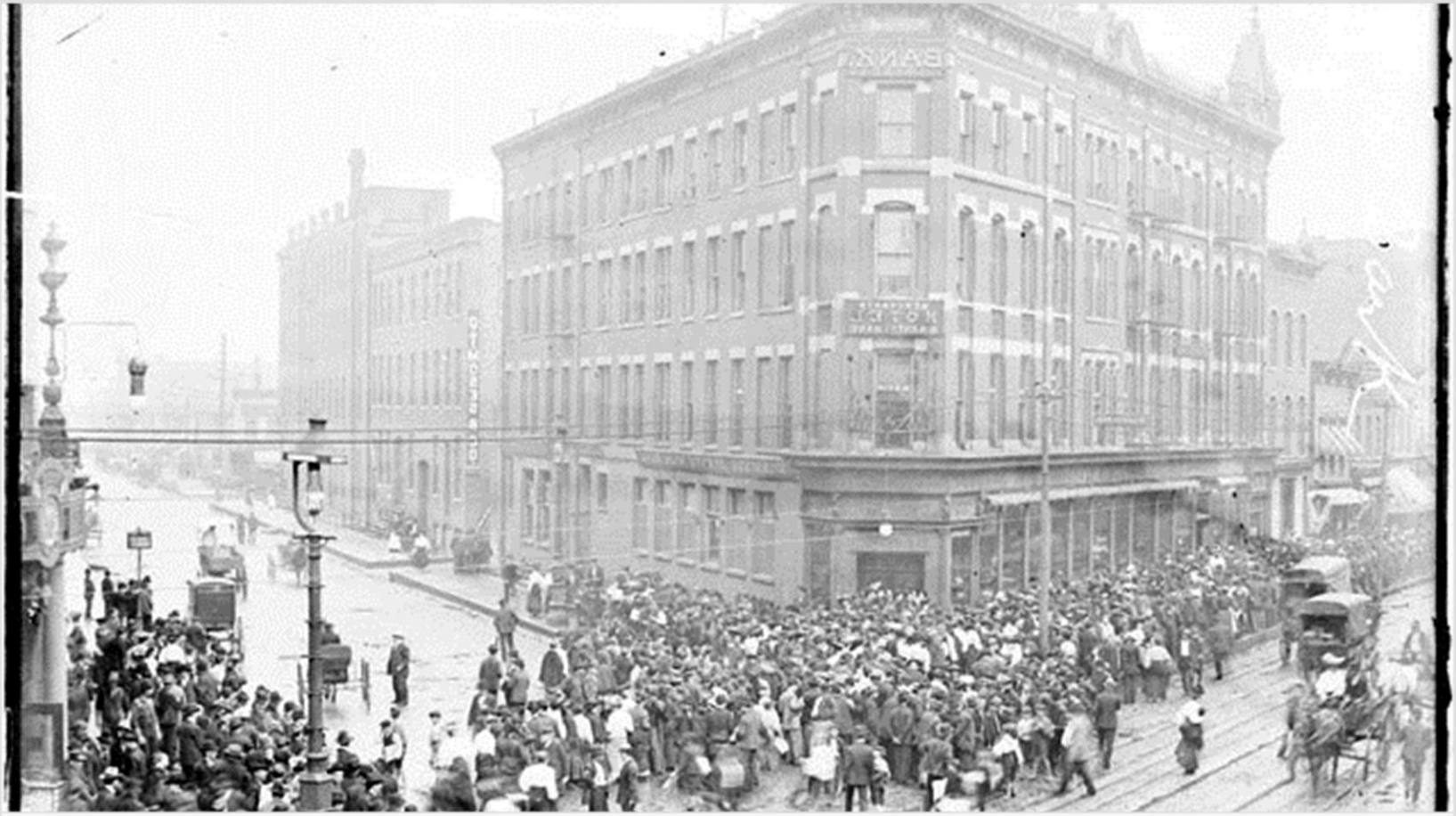
FDR AND THE NEW DEAL WIN





FDR'S FIRST INAUGURAL ADDRESS

"This great nation will endure, as it *has endured*, will revive, and will prosper. So, first of all, let me assert my firm belief that the only thing we have to fear is <u>*fear itself*</u> – nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance."



THE BANK HOLIDAY OF 1933

FDR CLOSED EVERY BANK IN THE USA TO ESTABLISH NEW RULES OF OPERATION. HE HOPED TO RESTORE CONFIDENCE IN THE BANKS.

THE FIRESIDE CHAT

In his first "fireside chat" - evening radio addresses which FDR envision American families listen to in while gathered together before a toasty fire – FDR explained why he had closed the banks, and declared, "It is safer to keep your money in a reopened bank than under the mattress."

THE GOALS OF FDR'S NEW DEAL

- There were three major goals FDR hoped to accomplish with his New Deal programs:
- To provide relief and assistance for the unemployed.
- To stimulate economic recovery in the United States of America.
- To prevent future economic depressions.

THE NEW DEAL

FRANKLIN ROOSEVELT'S EFFORTS TO RESOLVE THE ECONOMIC CRISIS DURING THE GREAT DEPRESSION

THE NEW DEAL

OF COURSE WE MAY HAVE TO CHANGE REMEDIES IF WE DONT GET RESULTS
FDR
NEW DEAL REMEDIES
CONGRESS
NRA
FERA
FCOTW
FEHC
AAA
CCC
CWA
FDIC
FACA

THE NEW DEAL

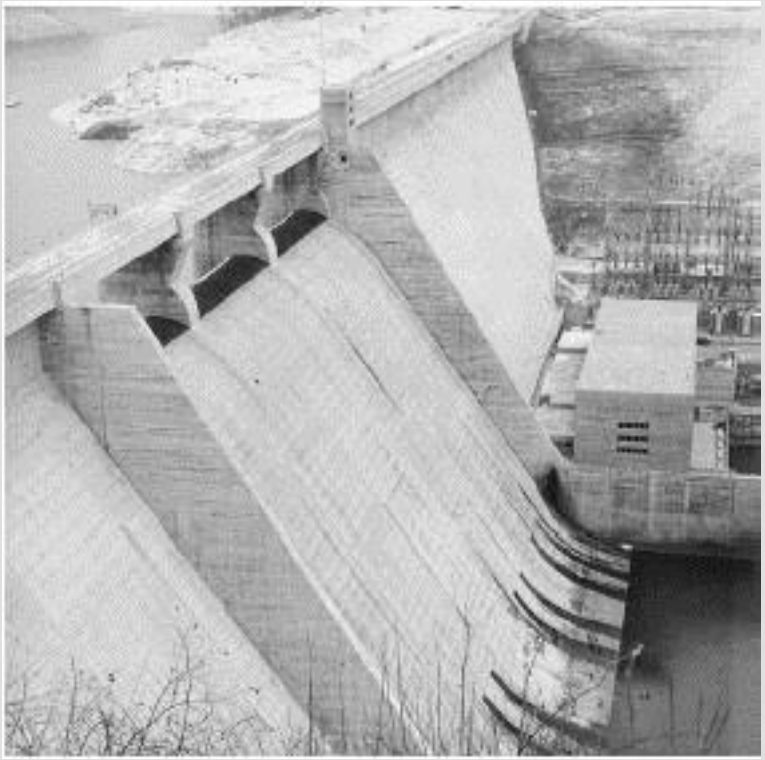
THE CIVILIAN CONSERVATION CORPS (CCC)

- **THE CIVILIAN CONSERVATION CORPS –**
- EMPLOYED MILLIONS OF YOUNG MEN IMPROVING THE NATIONAL PARKS SYSTEM AND THE INFRASTRUCTURE OF THE UNITED STATES.
- USUALLY HIRED 18 – 25 YEAR OLDS FOR TWO YEARS OF SERVICE.
- MONEY PAID TO THESE INDIVIDUALS WAS INTENDED TO IMPROVE BUYING POWER OF CONSUMERS.
- MANY OF THESE MEN MIGHT HAVE BEEN DRAWN TO PETTY CRIMES UNDER DIFFERENT CIRCUMSTANCES.

THE NATIONAL RECOVERY ADMINISTRATION (NRA)

- **THE NATIONAL RECOVERY ADMINISTRATION –**
- FDR'S MOST IMPORTANT ECONOMIC PROGRAM
- PLACED CONTROLS ON BUSINESSES REGARDING WAGES, HIRING AND FIRING OF EMPLOYEES.
- RULED UNCONSTITUTIONAL BY THE SUPREME COURT IN 1935.

THE TENNESSEE VALLEY AUTHORITY



- **THE TENNESSEE VALLEY AUTHORITY** –
- GOVERNMENT PROGRAM WHICH DAMMED UP THE OFTEN FLOODING TENNESSEE RIVER THROUGH POOR AREAS IN APPALACHIA AND THE SOUTH.
- CONSTRUCTED PUBLIC BUILDINGS AND PRODUCED HYDROELECTRIC POWER.
- WAS OPPOSED BY PRIVATE UTILITY COMPANIES WHO CLAIMED GOVERNMENT MONOPOLIES ON ELECTRIC POWER WERE INEFFICIENT AND UNNECESSARY.

FEDERAL DEPOSIT INSURANCE CORPORATION

- **THE FEDERAL DEPOSIT INSURANCE CORPORATION –**
- PLACED RULES ON BANKING WHICH PREVENTED BANKS FROM ENGAGING IN RECKLESS INVESTMENT STRATEGIES
- GUARANTEED THAT BANKS WHO WERE FDIC APPROVED WOULD NOT GO UNDER.
- GUARANTEED BANK DEPOSITS UP TO $2,500 PER INDIVIDUAL, PER BANK. *

*Today, it's guaranteed to $250,000.

THE PUBLIC WORKS ADMINISTRATION

- **THE PUBLIC WORKS ADMINSTRATION –**
- HIRED MILLIONS OF MEN AND WOMEN TO WORK ON OR SUPERVISE CONSTRUCTION PROJECTS ALL ACROSS AMERICA – FROM THE HOOVER DAM TO AIRPORTS, TO PUBLIC BUILDINGS.

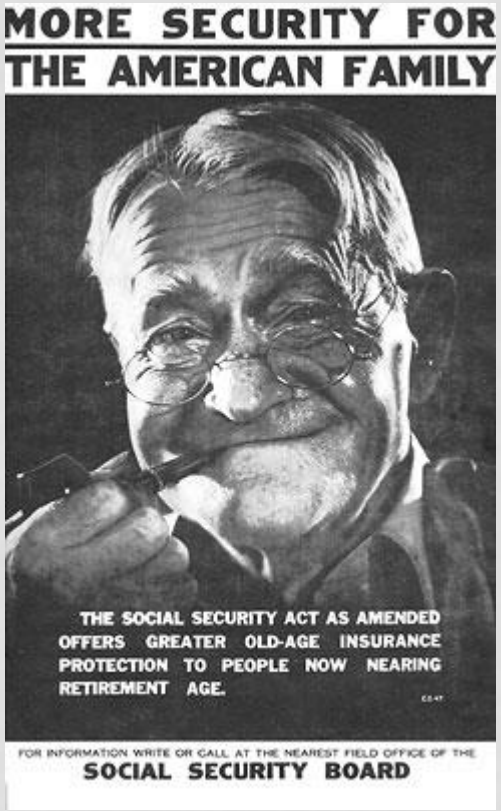
WORKS PROGRESS ADMINISTRATION

- **THE WORKS PROGRESS ADMINSTRATION –**
- Hired common laborers, teachers, artists, writers, actors, musicians, and various other skilled laborers to do worthwhile government studies – some cultural, some anthropological, and some demographic.
- Photographer Dorothea Lange and authors like Zora Neale Hurston were also hired by the project.

RURAL ELECTRIFICATION ADMINISTRATION

- **THE RURAL ELECTRIFICATION ADMINSTRATION** –
- COMPLETED THE WIRING AND SERVICE TO PROVIDE ELECTRIC POWER FOR RURAL AND ISOLATED REGIONS OF THE UNITED STATES.
- IN ADDITION TO IMPROVING THE QUALITY OF LIFE FOR MANY AMERICANS, THIS PROGRAM ALSO STIMULATED THE ECONOMY BY PROVIDING A NEW MARKET FOR ELECTRONIC APPLIANCE MANUFACTURERS.

THE SOCIAL SECURITY ACT



- **THE SOCIAL SECURITY ADMINSTRATION -**
- PROVIDED SUPPLEMENTAL INCOME FOR THE ELDERLY, HELPING THE AMERICAN FAMILY SUPPORT ITS PATRIARCHS AND MATRIARCHS.
- PROVIDES FINANCIAL AID FOR THE BLIND AND DISABLED.
- UNEMPLOYMENT INSURANCE PROGRAMS.

THE WAGNER ACT – THE NATIONAL LABOR RELATIONS BOARD

- **<u>THE NATIONAL LABOR RELATIONS BOARD</u> – CREATED BY THE *WAGNER ACT***
- THIS LAW GUARANTEED LABOR UNIONS THE RIGHT TO COLLECTIVE BARGAINING WITH COMPANIES IN CERTAIN INDUSTRIES – THEREBY PROTECTING THE WAGES AND BENEFITS OF WORKERS.
- THE NLRB STILL EXISTS TODAY.

NATIONAL YOUTH ADMINISTRATION

Workers attending a class in auto mechanics organized by the National Youth Administration.

- **THE NATIONAL YOUTH ADMINISTRATION –**
- HELPED TO FIND JOBS AND JOB TRAINING FOR YOUNG PEOPLE ACROSS THE UNITED STATES.
- THE ORGANIZATION TARGETED AFRICAN-AMERICAN BOYS AND GIRLS IN CERTAIN REGIONS.

AGRICULTURAL ADJUSTMENT ADMINISTRATION

IOWA FARMERS ARRESTED BY TROOPS FOR RIOTING DURING FORECLOSURE.

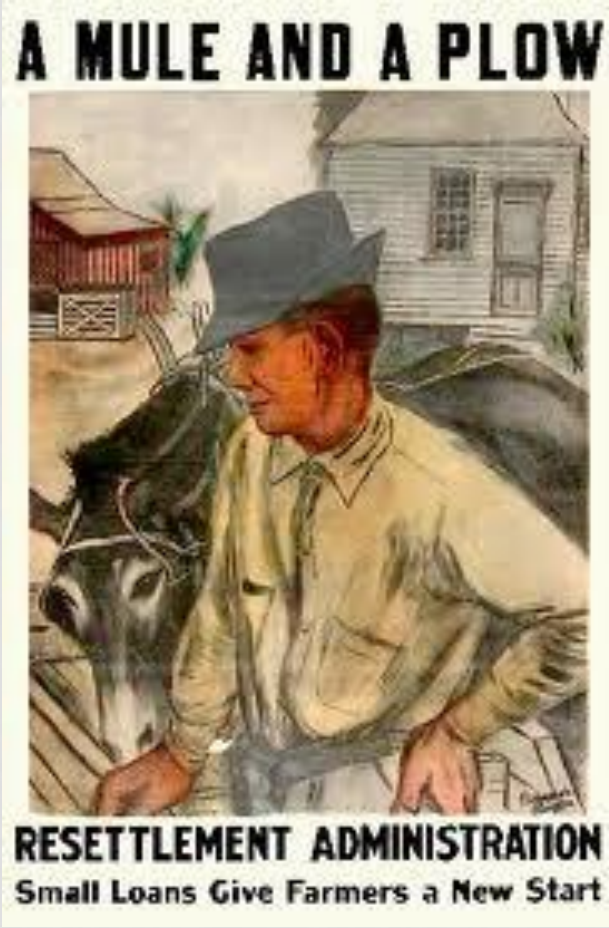
- **THE AGRICULTURAL ADJUSTMENT ACT -**
- PAID FARMERS MONEY NOT TO GROW CERTAIN CROPS IN AN EFFORT TO PREVENT DEFLATION OF VALUE.
- RAISING THE PRICE OF AGRICULTURAL PRODUCTS HAD A POSITIVE IMPACT ON THE ECONOMY BECAUSE SO MANY AMERICANS WERE EITHER FARMERS OR RELIED ON SELLING FARM PRODUCTS AND EQUIPTMENT FOR THEIR LIVELIHOODS.

FEDERAL EMERGENCY RELIEF ADMINISTRATION

- **THE FEDERAL EMERGENCY RELIEF ADMINISTRATION**
- GOVERNMENT PROGRAMS WHICH SIMPLY GAVE MONEY TO THE STATES FOR PUBLIC DISTRIBUTION AS THE STATES SAW FIT.
- GENERALLY, THE ASSISTANCE WAS PROVIDED BY THE STATES IN THE FORM OF FOOD AND SUPPLIES FOR THE NEEDIEST COMMUNITIES IN THE STATES.

…AND THERE WERE OTHER GOVERNMENT PROGRAMS, TOO.

NEW DEAL PROGRAMS



THE NATIONAL RECOVERY ADMINISTRATION

- The pride and joy of Roosevelt's New Deal, the NRA aimed to keep prices stable. The agency also tried to force businesses to pay higher wages, end child labor, and slow production. While Roosevelt always believed that his policies were for the good of society, capitalist businessmen balked. The agency was taken to court, and eventually ruled unconstitutional by the US Supreme Court.

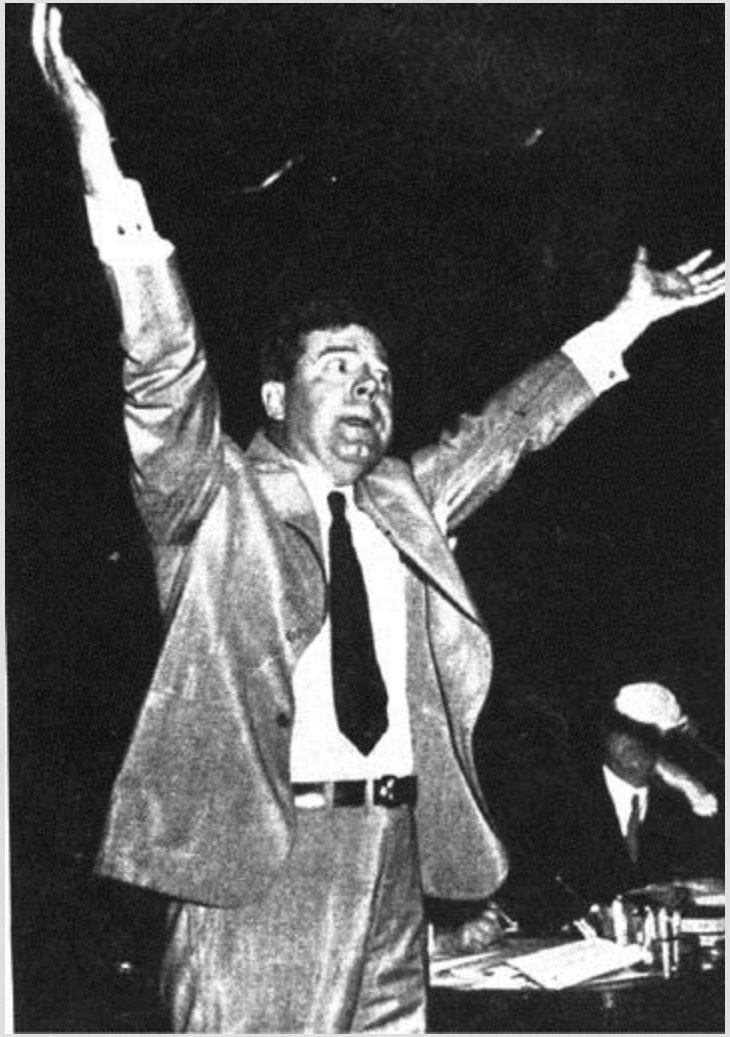
FDR'S COURT PACKING PLAN

THE COURT PACKING PLAN

- When the Supreme Court several New Deal programs – including the Agricultural Adjustment Administration and the National Recovery Administration – as unconstitutional, Roosevelt was aghast. He decided to try to get around the Supreme Court – and the checks and balances which define our government under the Constitution – by proposing a law to the Congress. Roosevelt argued that he should be allowed to appoint six new Supreme Court justices, changing the size of the Supreme Court to fifteen (15) members. He claimed he was worried that the workload of the Justices was becoming too difficult. But Congress saw right through his plan, knowing that the real reasons he sought to add justices to the Supreme Court was to get more favorable ruling about his New Deal Programs. He, after all, got to appoint the new justices! The public and the two other branches of government were outraged, and the plan was quickly scrapped.

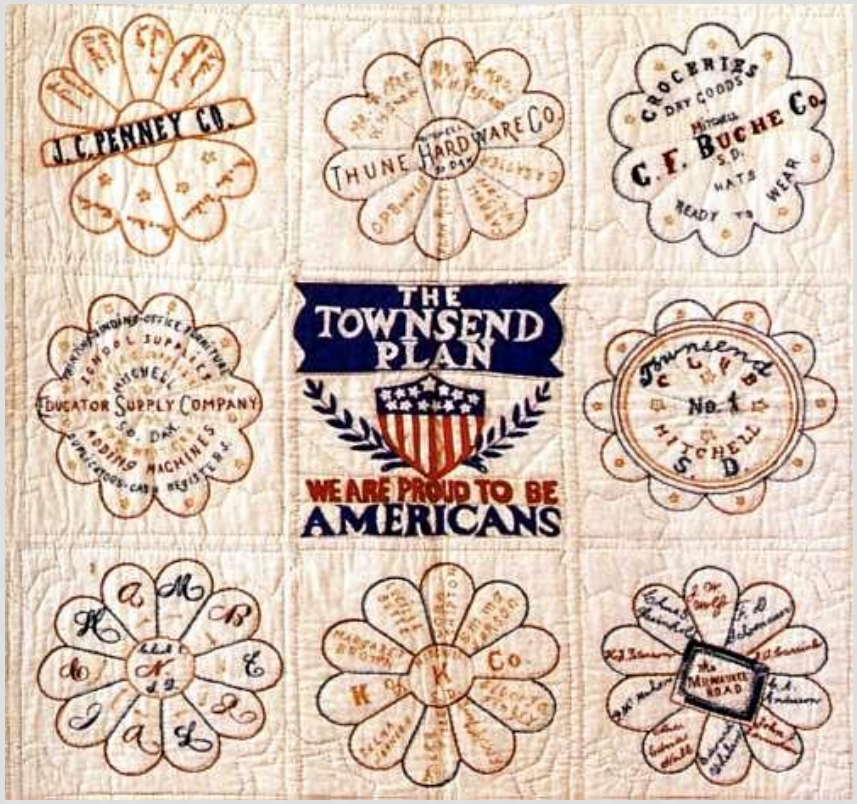
CRITICS OF PRESIDENT ROOSEVELT

- Senator Huey Long (D-Louisiana), known as "The Kingfisher," was a vocal critic of the President, and feared by many as a rival and would be dictator. His "Share Our Wealth" plan was popular with some – it proposed a huge tax on millionaires and promised everyone a house, a car, and a radio. Long was murdered in Louisiana by a raging medical doctor who feared Long would become an "evil tyrant."



DR. FRANCES TOWNSEND

- Dr. Francis Townsend believed that every elderly person in America should receive a pension of $200 each month – and condemned the President for failing to look after men and women who were old and retired. Many of Townsend's ideas were incorporated into the Social Security Act of 1935 – a major component of the so called "Second New Deal."



FATHER CHARLES COUGHLIN

- A former supporter of Roosevelt's, Father Charles Coughlin was known as the "radio priest" for his weekly sermons from his parish in Detroit, Michigan. Coughlin was deeply mistrustful of Roosevelt's banking and money policies. Coughlin was also a well known Anti-Semite and bigot who professed to support both Mussolini and Hitler in the years leading up to World War II.

THE LEGACY OF THE NEW DEAL

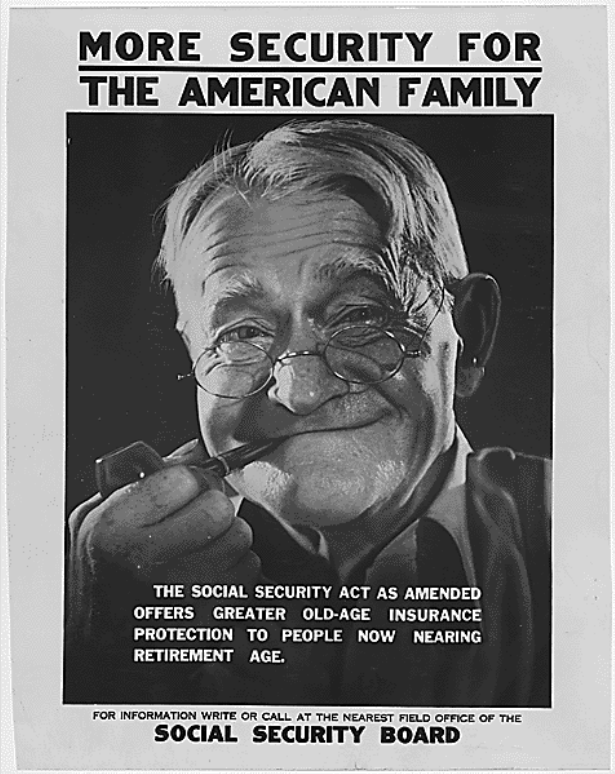
THE BIRTH OF MODERN POLITICS

THE GOAL OF THE SOCIAL SECURITY ACT WAS SIMPLY TO PROVIDE FOR THE NEEDIEST MEMBERS OF OUR SOCIETY – THE ELDERLY, THE DISABLED, WOMEN WITH DEPENDENT CHILDREN, AND THE UNEMPLOYED.

THE SOCIAL SECURITY ACT

SOCIAL SECURITY ACT

Old Age Insurance

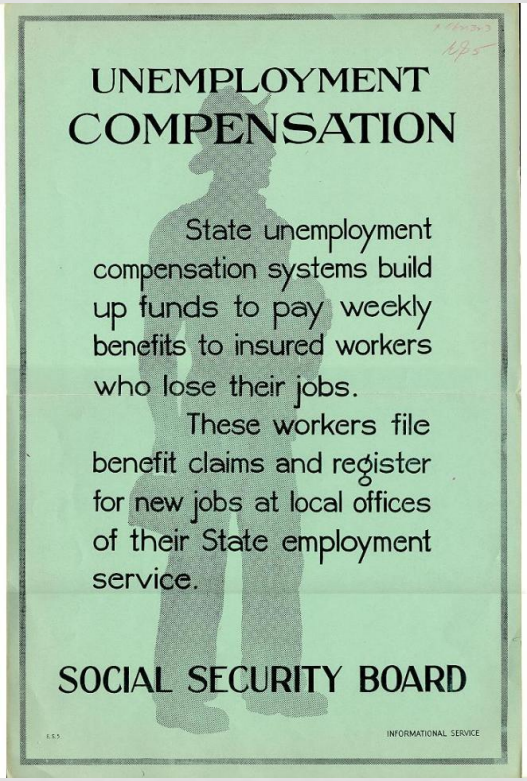


Aid to Dependent Children

THE SOCIAL SECURITY ACT

The Disabled

Unemployment Insurance



ROOSEVELT ON SSA

- "When land failed, our ancestors moved on to better land. It was always possible to push back the frontier, but the frontier has now disappeared. Our task involves the making of a better living out of the lands that we have. So, also, security was attained in the earlier days through the interdependence of members of families upon each other and of the families within a small community upon each other. The complexities of great communities and of organized industry make less real these simple means of security. Therefore, we are compelled to employ the active interest of the Nation as a whole through government in order to encourage a greater security for each individual who composes it."

FDR ON THE SOCIAL SECURITY ADMINISTRATION

- Fear and worry based on unknown danger contribute to social unrest and economic demoralization. If, as our Constitution tells us, our Federal Government was established among other things, "to promote the general welfare," it is our plain duty to provide for that security upon which welfare depends.

- How does FDR's justification of the Social Security Act differ from the Obama Administration's defense of the Health Care Plan?

- How did the Supreme Court ultimately uphold the "Obama Care" health care reform law?

Painting for FORTUNE by Arthur Szyk

Eight Years As Madame Secretary

by Frances Perkins

If Frances Perkins had done no more than take the oath of office on March 4, 1933, as Secretary of Labor, she would have earned fame as the nation's first woman Cabinet officer. Actually her experiences in office have created their own fame, heavily overshadowing the mere circumstance of gender. Hers was the job of dealing with unemployment in the depth of the depression; with the phenomenal growth of trade unions; with the split in the labor movement; with sit-downs, defense reemployment, defense strikes, Communists. She has been more instrumental than most persons realize in the development of the President's social and economic program. This is Secretary Perkins's story of her part in that program as told to Katharine Hamill, a member of FORTUNE*'s staff.* FORTUNE *is proud to present it not only as contemporary history, but for the light it sheds on the character of a public servant who is too little understood.*

WHEN I came to the house on Sixty-fifth Street that evening late in February, 1933, I was shown up to Mr. Roosevelt's study on the second floor. Mr. Roosevelt and I were old friends—we had known each other for over twenty years, ever since the days when he was a New York Assemblyman and I had gone to Albany as secretary of the Consumers' League—and he gave me a friendly greeting. Then he came right to the point.

"I've been thinking things over and I've decided I want you to be my Secretary of Labor."

The message from Mr. Roosevelt's secretary that morning, asking me to come to see him, had left me disquietingly sure that the rumor of my appointment could no longer be ignored, and I had spent the whole day going over arguments to persuade him not to appoint me. I knew that he thought well of my work as Industrial Commissioner of New York, and that he had made up his mind to appoint a woman to his Cabinet, but aside from personal reluctance to take on new responsibilities I honestly felt that I was not the right person for the job, and it seemed to me that the arguments I had ready to present were not only reasonable but unanswerable.

The chief argument was that I was not a bona fide labor person and that labor had always had and would expect to have again one of its own people as Secretary; labor wouldn't be satisfied politically with an outsider. Mr. Roosevelt's answer to that was that he thought the time had come for all working people, organized and unorganized, to have more than political consideration. I did not think that it would be a bad thing to have a woman in the Cabinet, if she were the best one for the job, but I thought that a woman Secretary of Labor should be a labor woman. I tried to describe all my shortcomings, and he said he had considered everything and he knew my record in New York and thought I could accomplish the same things for the whole country that I had for the state.

Having failed thus far to convince him I went off on another tack. I said that if I took the post I should want to do a great deal, and I outlined a general program of labor legislation and economic improvement. None of it was radical—all of it had worked well in certain states and in certain foreign countries—but I thought that Mr. Roosevelt might consider it too ambitious to be undertaken immediately in the U.S. In broad terms my proposals were for immediate federal aid to states for direct relief (remember that we were then in the depths of depression and unemployment), an extensive program of made work, a study and approach for the establishment by federal law of minimum wages and maximum hours and of unemployment insurance and old-age insurance, the abolition of child labor, and the creation of a federal employment service. To my satisfaction Mr. Roosevelt said that he entirely agreed with me, and that he wanted me to accept the appointment and go ahead with the program. The conversation took only about an hour.

IT SEEMS to me that many people have a confused idea of the duties and authority of the Secretary of Labor, and I should like to set them forth as clearly and simply as I can. The Secretary of Labor has no power to *rule* over labor. In fact the Secretary has no more legal power over working men and women than the Secretary of Agriculture has over farmers or the Secretary of Commerce over businessmen. The Congressional Act that created the Department of Labor in 1913 specifically states its purpose: "To foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment." The only power I have is to act as labor's spokesman in the government. To order labor around would be to seize power I have not been granted under the law.

When Mr. Justice Cardozo administered the oath of office I solemnly swore "to support and defend the Constitution of the United States." I took that to mean that I was to "promote the welfare of the wage earners" within the framework of the general welfare of all the people of the U.S.—a framework in which no group should gain at the expense of other groups. That ideal—of all groups working for the good of the whole—is difficult of achievement and there have been and will be many slips by the way, but it is still an ideal worth striving for.

I have been called incompetent (and worse) because I have not prevented strikes, and I am aware that there is a theory that if I were a two-fisted male I should be able to stop strikes. The accusation that I am a woman is incontrovertible. As for being two-fisted, I'm sure that it is unrealistic and lacking in human knowledge to believe that getting tough or cracking down on working people would make things better. I believe that strikes and disputes should be settled on an equitable basis, by negotiation, conciliation, and mutual agreement. There have been two-fisted males in this office and strikes were never prevented, because no Secretary of Labor has ever had the authority or the power directly to stop strikes, and it's doubtful if any clear thinking citizen would be willing to give to any agency of government the absolute right and power to interfere with other citizens.

Later on in this article I shall discuss labor disputes and strikes in greater detail. Here I want to say that in the twenty-three years since the end of the first World War strikes have lessened in violence and in duration, and the percentage of men striking to men working has declined markedly. In 1919 the percentage was 20.8, in 1920 it was 7.2; in 1939 it was 4.7, and last year 2.3. Sometimes, when I say that I expect increased numbers of strikes when employment increases, people interpret the word "expect" as "hope." Of course I don't hope that strikes will increase when employment increases, but it would be unrealistic to overlook the fact that they do.

Collective bargaining, carried on with mutual responsibility and intention to conclude a bargain, is a constructive process, and labor's efforts to organize are not disorder. Association brings obligations and standards and mutual rights, as much to carpenters and automobile workers as to doctors and lawyers and manufacturers. Working people are bound to take more and more effective part in the organized life of all society and to be consulted as any other group is consulted. I do not believe that labor will "take over" industry or manage industry. Wherever managers come from they are managers because they have

THE SECRETARY OF LABOR, FRANCES PERKINS

FRANCES PERKINS WAS THE FIRST FEMALE EVERY APPOINTED TO A POSITION IN THE PRESIDENT OF THE UNITED STATES CABINET. SHE WAS THE SEC. OF LABOR

THE WAGNER ACT

- The Wagner Act guaranteed worker's rights to organize into unions, and made it illegal to fire workers for joining unions.
- The Act required companies to engage in collective bargaining with unions, creating the National Labor Relations Board.
- The Act was soon followed with the Fair Labor Standards Act, which crated a minimum wage, established the 44 hour work week, and required time and a half payment for overtime.

COLLECTIVE BARGAINING

THE RIGHT OF A UNION TO NEGOTIATE WAGES AND BENEFITS FOR THE COLLECTIVE GOOD OF ALL OF ITS MEMBERS.

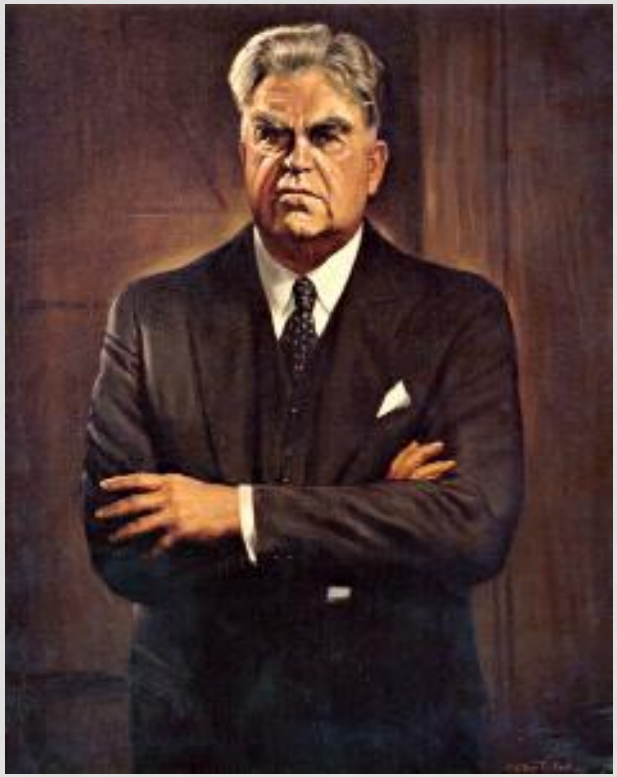
THE FAIR LABOR STANDARDS ACT

PASSED IN 1938, THE FAIR LABOR STANDARDS ACT DEMONSTRATED FDR'S CONTINUING COMMITMENT TO HELPING THE WORKING MAN IN THE UNITED STATES.

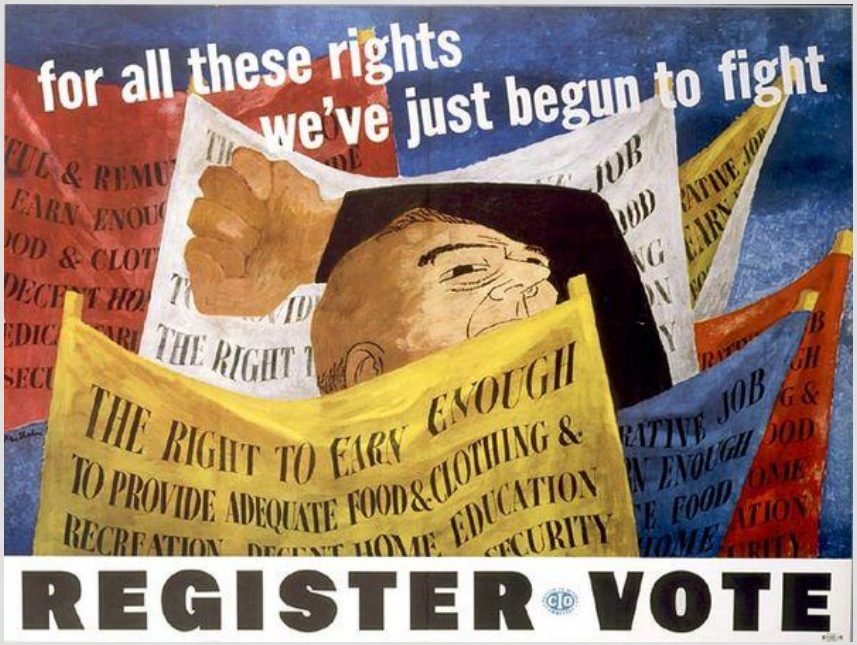
1. The minimum wage was set at $.25 per hour. Today, the minimum wage has been raised to $7.25 an hour.
2. The maximum work hours for full time employment was set at 44 hours per week. Today it is set at 40 hours per week.
3. The act ended child labor in some fields where it had not been previously forbidden.
4. The principle of time and a half payment for overtime labor was established. For example a worker who makes $10 per hour during a workweek will receive $15 per hour for all hours worked over 40 in a given week.

A NEW LABOR UNION

John L. Lewis



The Congress of Industrial Organizations (CIO)



THE SIT-DOWN STRIKE

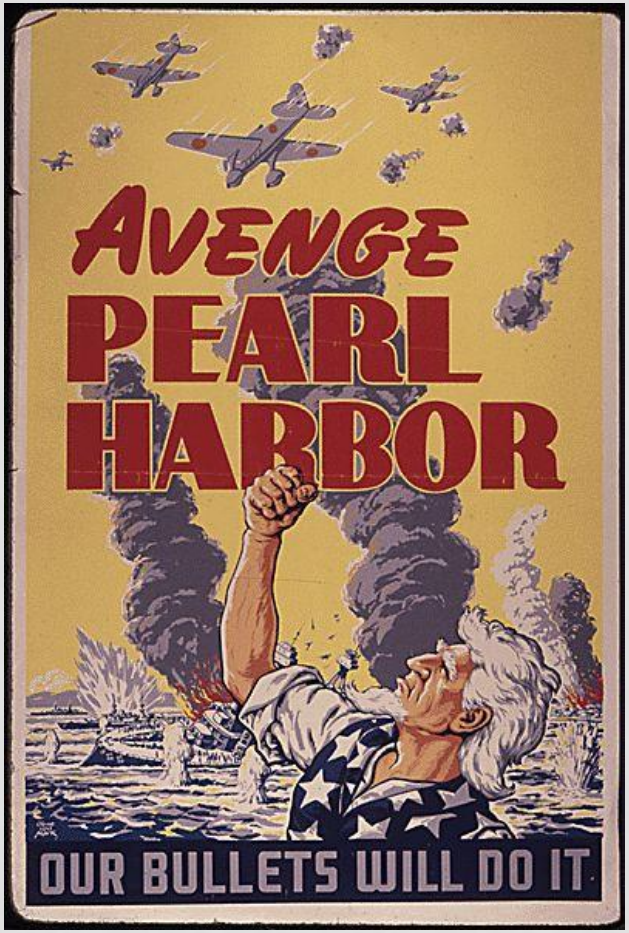
THE SIT-DOWN STRIKE

- During a sit-down strike, workers would occupy the factories or workplaces where they labored. The company was unable to run its business at all – they couldn't even bring in replacement workers, or scabs, to take the place of their striking force. The technique, which was popularized by the Congress of Industrial Organizations (CIO), was eventually ruled unconstitutional by the Supreme Court – but it is still used.

CRITICISMS OF THE NEW DEAL

1. The New Deal gives too much power to the Federal Government, which taxes Americans in order to fund programs like Social Security, the TVA, and the FDIC.
2. Federal deficits and deficit spending policies. Many Americans criticized FDR's policy of spending more money than the United States paid in taxes – with the hope that future gains would balance the budget.
3. The New Deal did not end the Great Depression. Productivity as a result of World War II ended the economy. Interestingly, the manufacturing jobs and heavy industrial production spurred by the war was funded entirely by…..the United States Government, which purchased all the weapons and supplies being manufactured.

WHAT REALLY ENDED THE GREAT DEPRESSION?



- World War II began when Pearl Harbor was bombed by the Japanese on December 7, 1941 – "a date that will live in infamy."
- Employment in the United States went to 100% virtually overnight, as fifteen (15) million men joined the armed forces and factories began producing metal works, weapons, and supplies.
- Prosperity would continue after the war, as the United States emerged as a military and economic superpower.

THE ACCOMPLISHMENTS OF THE NEW DEAL

1. The New Deal employed millions of formerly jobless people.
2. The New Deal ended the nation's banking crisis and established new rules for banking which improved financial security in the nation.
3. Reformed the Stock Market by establishing the Security and Exchange Commission.
4. Established new standards for workers and guaranteed laborers the right to negotiate through collective bargaining with their employers.
5. Rebuilt or established the infrastructure of the United States of America.
6. Restored confidence and faith in the federal government of the United States of America.

FRANKLIN DELANO ROOSEVELT'S INFLUENCE ON MODERN POLITICS

- To what degree are the modern political parties of the United States polarized by their interpretation of the role of government, as set out by FDR and his policies?
- How are the debates over the federal spending policies of the US government shaped by issues that emerged during the Great Depression?
- Consider the TARP bailout and loans to businesses by the government at the start of the present crisis. To what degree is this intervention on the part of the government a part of the legacy of the New Deal?